

# Wyoming School Land Revenues



WYOMING LEGISLATIVE SERVICE OFFICE

*May 24, 2022*

# Outline



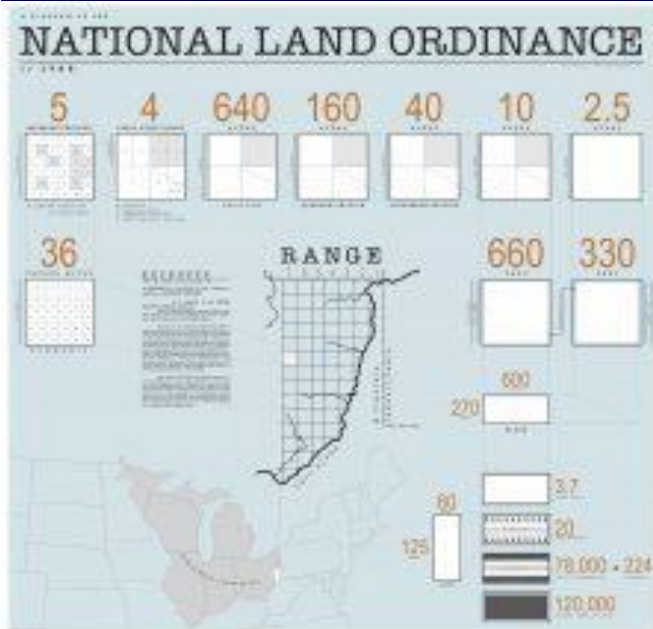
**Federal Land Grant Program  
Trust Lands**



**School Foundation Program Account  
School Capital Construction Account**

# Federal Land Grant Program

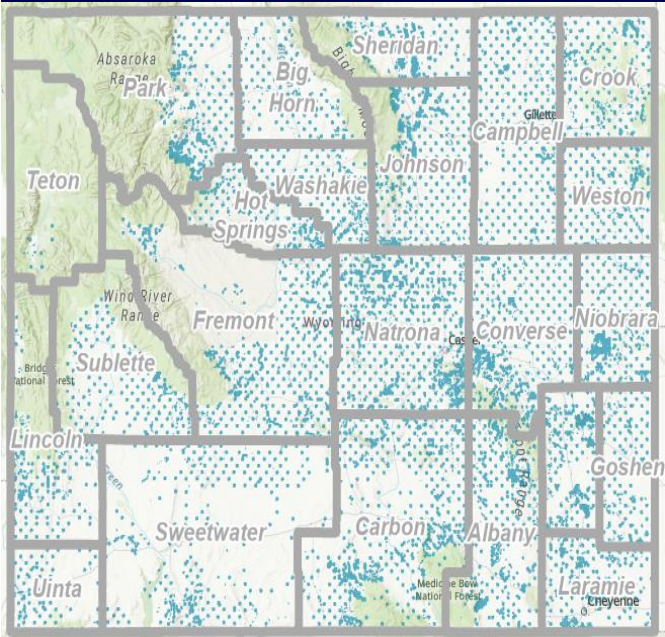
## Land Ordinance of 1785



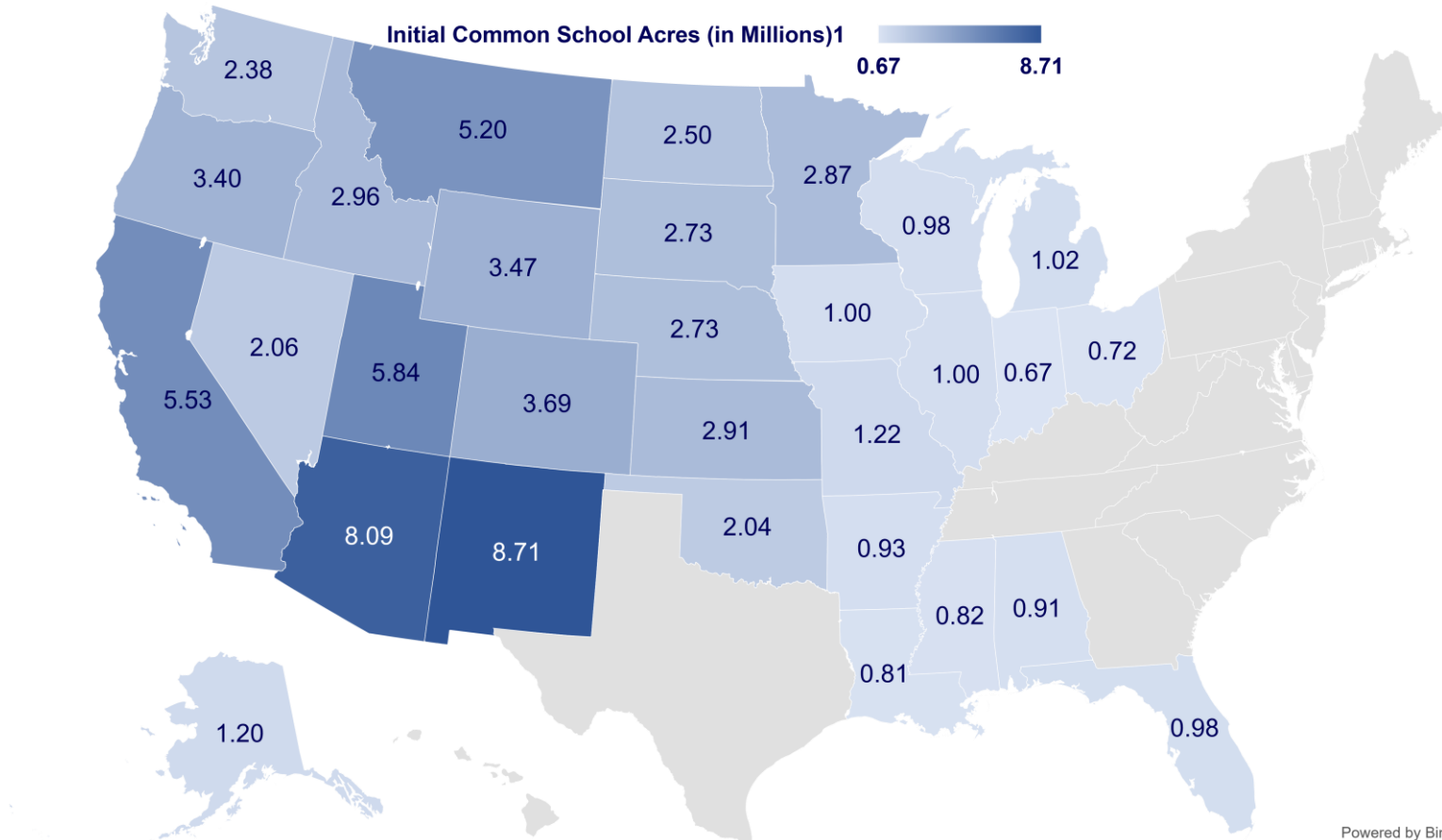
## WY Sections 16 and 36 “support public schools”

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

## Source of Revenues



# State Land Grants



Source: 1) Lincoln Institute of Land Policy. (2015). *State Trust Lands in the West: Fiduciary Duty in a Changing Landscape (Updated)*.  
<https://www.lincolnst.edu/news/press-releases/report-state-trust-lands-west-updated>; 2) Office of State Lands and Investments annual report.

## Wyoming Current State Lands<sup>2</sup>:

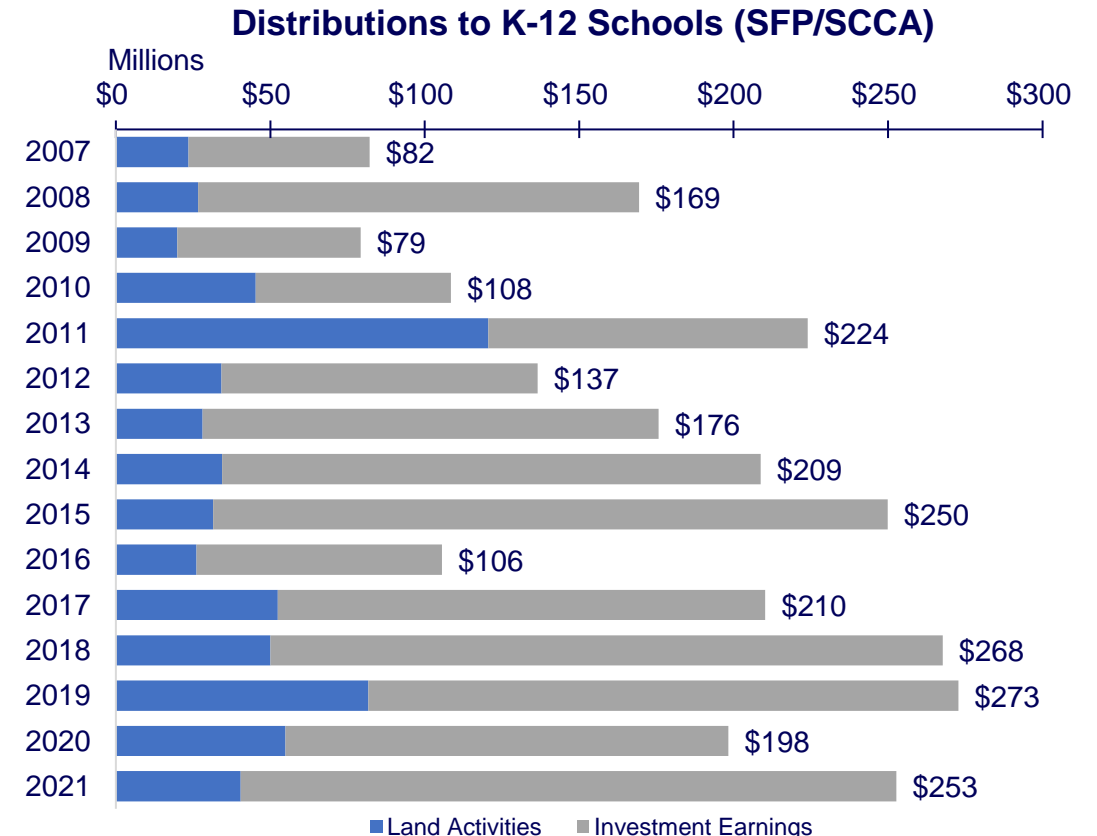
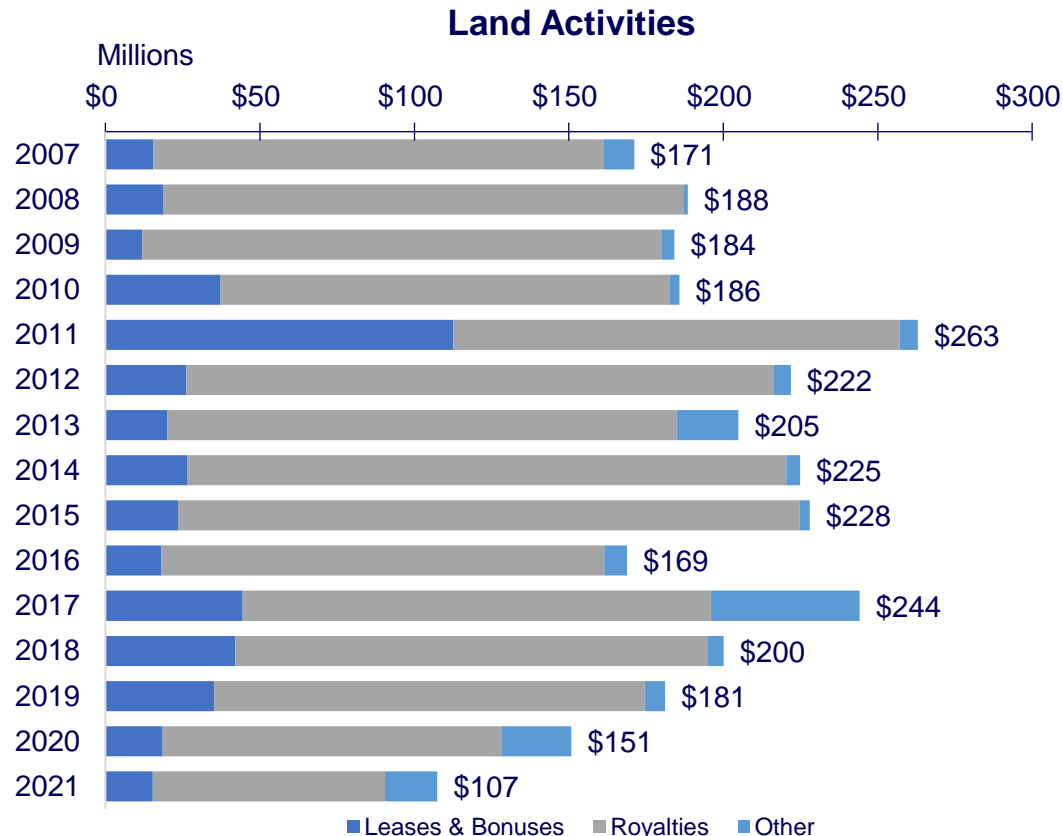
- 3.5 million surface acres
- 3.9 million mineral acres
- Of these, approximately 86% of surface (3.0 million) and mineral (3.4 million) acres are managed to benefit public schools

## Wyoming Common School Account Revenues:

- Sale of lands
- 2/3 of mineral royalties
- Easements and damage payments
- One-half of “additional” one percent severance tax
- Transfers or appropriations (i.e., CSPLF Reserve Account excess over cap)



# Wyoming Common School Land Revenues



Source: LSO analysis of state WOLFS data.





# Common School Lands

State	FY 2019 Per Pupil Revenue from School Trust Lands and Investments <sup>1</sup>	Percent of FY 2019 Total K-12 per Pupil Revenue <sup>1</sup>	Approximate Permanent Land Fund Value (June 30, 2021) <sup>2</sup>
Colorado	\$197	1.4%	\$1.3 Billion for Public Schools
Idaho	\$164	1.7%	\$1.9 Billion for Public Schools
New Mexico	\$3,083	24.9%	\$26.7 Billion for Public Schools
North Dakota	\$1,287	8.1%	\$5.7 Billion for Public Schools
Wyoming	\$2,932	15.3%	\$4.0 Billion for Public Schools

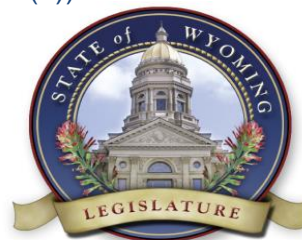
Source: 1) Wyoming and Colorado is from LSO analysis and calculations divided by NCES FY 2019 Revenue. Colorado, Idaho, New Mexico, and North Dakota based on survey data ([https://www.statetrustland.org/uploads/1/2/0/9/120909261/report\\_-\\_topic\\_compilations\\_04-29-20.pdf](https://www.statetrustland.org/uploads/1/2/0/9/120909261/report_-_topic_compilations_04-29-20.pdf)) divided by NCES FY 2019 revenue.

Source: 2) LSO analysis of annual reports (Wyoming – State Treasurer’s Office; Colorado – State Land Board; Idaho – Endowment Fund Investment Board; New Mexico – State Investment Council; North Dakota – Board of University and School Lands).

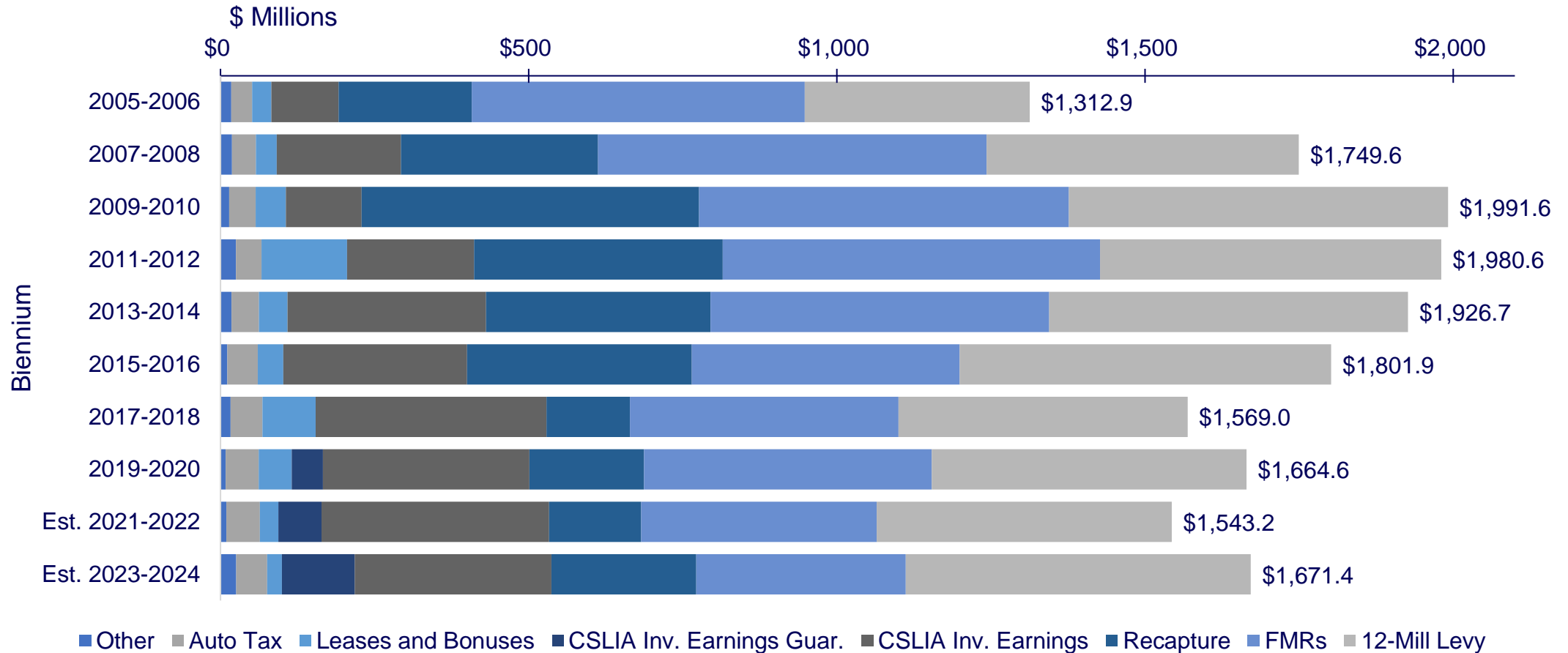


# School Foundation Program Account (SFP) Revenues

- **Statewide Levy:** Revenue generated from 12 mill statewide property tax. (W.S. 21-13-303 and 39-13-104(a)(iv))
- **Recapture:** Monies paid by school districts with local resources exceeding their guarantee. (W.S. 21-13-102(b))
- **Common School Land Income (CSLIA):** Interest, dividends, and net realized capital gains on the Common School Account within the Permanent Land Fund. The CSLIA also receives revenue from non-depletable activities on CSA lands, including revenue streams such as grazing leases, and oil or coal bonus payments. (W.S. 21-13-301)
- **Common School Permanent Land Fund Spending Policy Reserve Account (CSPLF SPRA):** If investment income is less than the spending policy amount (SPA), the difference is transferred from the CSPLF SPRA to the CSLIA to ensure an amount equal to the SPA is available. This only occurs if revenue is available in the CSPLF RA. (W.S. 9-4-719(f))
- **Federal Mineral Royalties (FMRs):** Revenue generated from federal payments, distributed under federal law, to the state for mining activity within the state. In the event investment income from the CSA exceeds SPA of the CSA, then the amount over the SPA is directed to the CSPLF SPRA, swapped with FMRs. (W.S. 9-4-601(a)(ii), (d)(iii), (k)(i), (m)(i), and (n)(i))
- **Pooled Interest:** Interest derived from property tax holdings by the county prior to remitting it to the state and interest derived from the pooled earnings of the SFP.
- **E-Rate:** Revenue received from applications to the universal service administrative company under the federal communications commission for amounts available to the state under the schools and libraries program of the universal service fund. (W.S. 9-2-2906(e)(v))
- **Motor Vehicle Registration Fees:** Revenue generated from motor vehicle licensing and registration, distributed in the same manner as property taxes. (W.S. 31-3-103)
- **Car Company Taxes:** Revenue generated from railroad car company taxes, distributed in the same manner as property taxes. (W.S. 39-13-111(a)(iii))
- **Skilled Gaming Tax Revenue:** Revenue generated from skill-based amusement games. (W.S. 11-25-304(d)(ii))
- **School Based Medicaid Revenues:** Revenue from Medicaid to reimburse state for students receiving certain special education programs and services. (W.S. 21-13-321(h))
- **Augmentations:** Any additional revenue directed by the Legislature to the SFP. To the extent the balance of the Legislative Stabilization Reserve Account (LSRA), is not less than \$500 million, a transfer is made from the LSRA to the SFP to restore the unobligated, unencumbered balance within the SFP to \$100 million on June 30 of each fiscal year. (W.S. 9-4-219(b))



# SFP Traditional Revenues



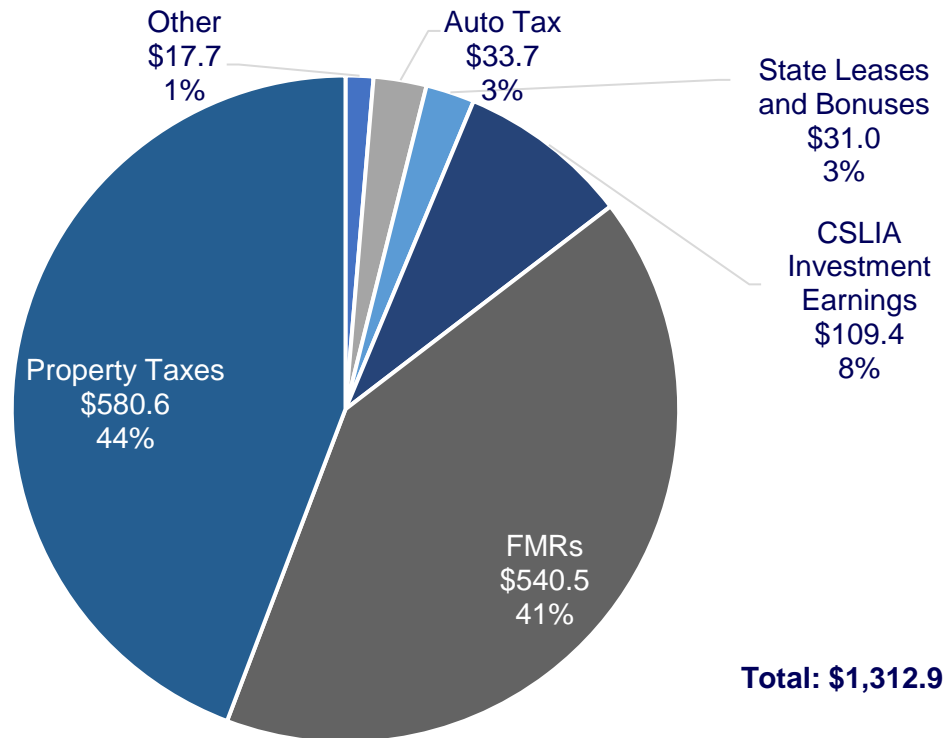
Source: LSO analysis of historical data and January 2022 CREG data.



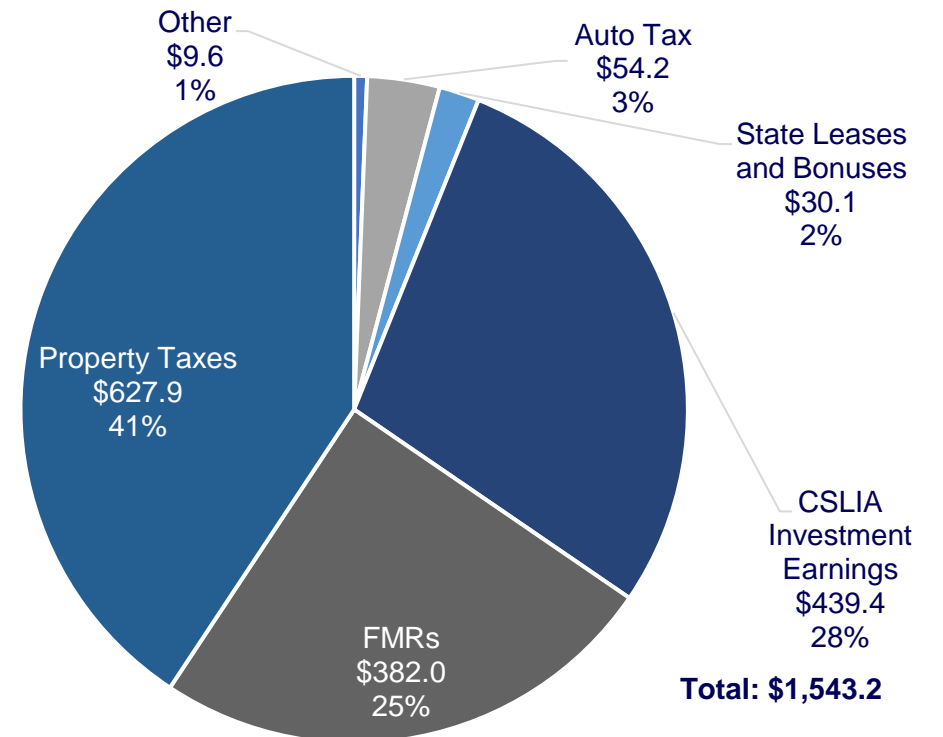


# SFP Traditional Revenues Comparison

## FY 2005-2006 (\$ Millions)



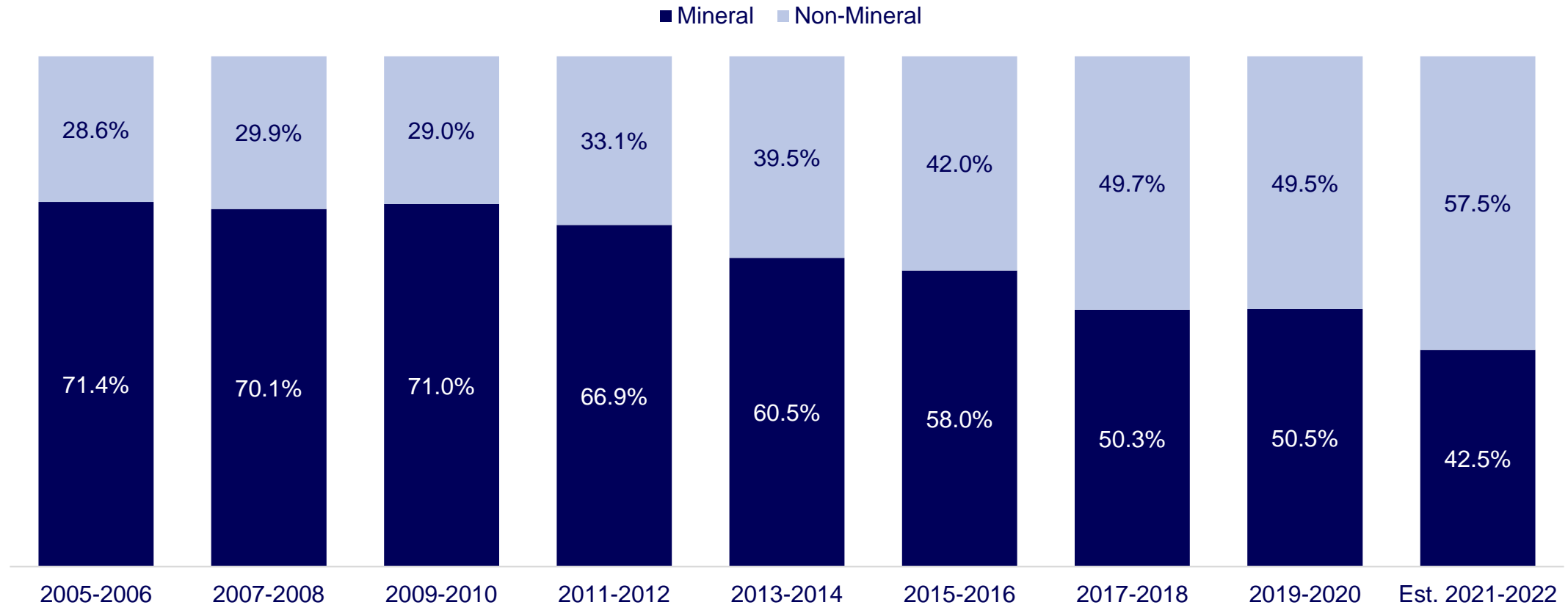
## Estimated FY 2021-2022 (\$ Millions)



Source: LSO analysis of historical data and January 2022 CREG data. The "Property Taxes" amount includes the state 12-mill and school district recapture revenue.



# Estimated SFP Revenues from Minerals and Non-Minerals



Source: LSO analysis and calculations. Minerals include: FMRs, CLIA state leases and bonuses related to minerals, and proportional share of assessed valuation for state 12-mill and school district recapture revenue

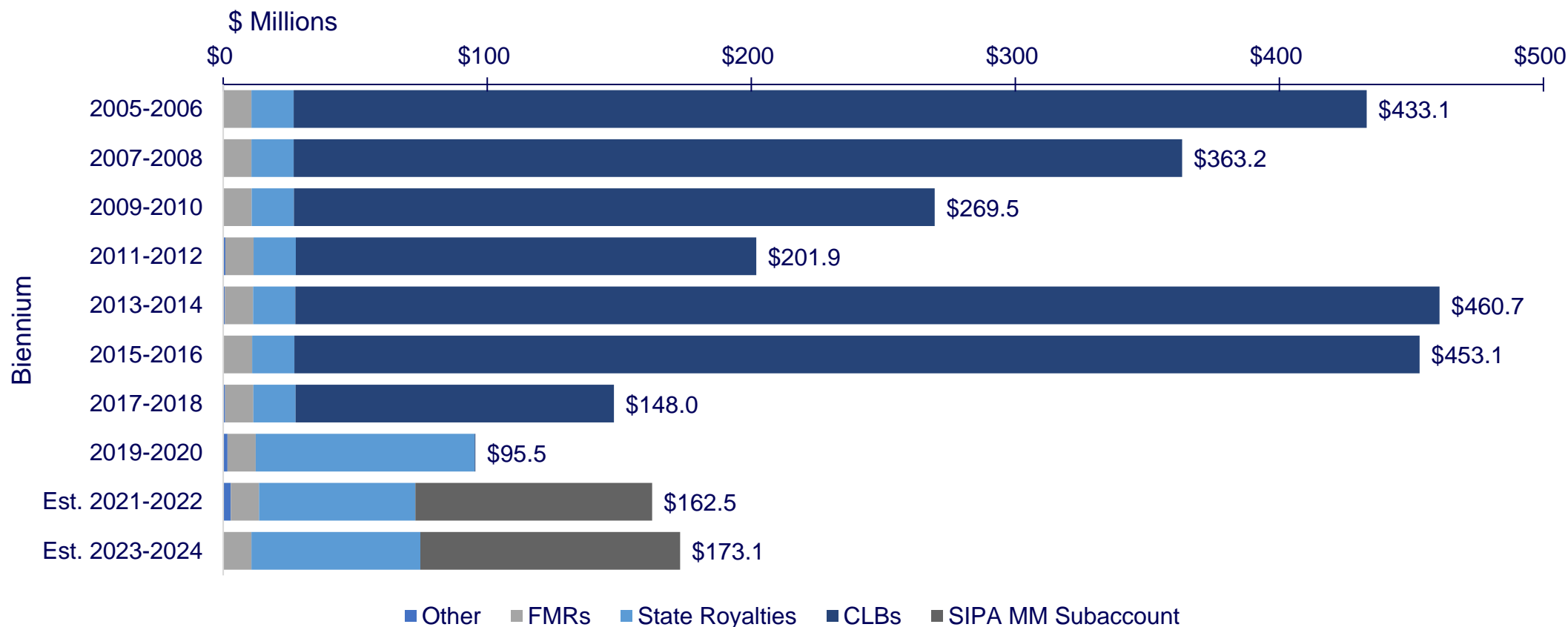


# School Capital Construction Account (SCCA) Revenues

- **Federal Mineral Royalties (FMRs):** Revenue generated from federal payments, distributed under federal law, to the state for mining activity within the state. (W.S. 9-4-601(a)(vii))
- **Common School Land Income – State Royalties:** Up to 33 1/3% of mineral royalties from the lease of school lands to be deposited into the School Lands Mineral Royalties Account. Historically, these amounts were deposited into the SCCA, up to \$8 million. The Legislature has continued to transfer these funds to the SCCA, thus are shown as a traditional revenue. (W.S. 9-4-305(b))
- **Pooled Interest:** Interest derived from the pooled earnings of the SCCA. (W.S. 21-15-115(a)(i))
- **Augmentations:**
  - School Major Maintenance Subaccount within the Strategic Investments and Projects Account (SIPA), equal to 45% of the maximum amount which may be credited to the SIPA (1.25% of the Permanent Wyoming Mineral Trust Fund spending policy (W.S. 9-4-220(b)(i))
  - Any additional revenue directed by the Legislature to the SCCA.
- **School District Infrastructure Recapture Agreements:** Revenue received by school districts and transferred to the SCCA for prior infrastructure projects.
- **Federal Coal Lease Bonus (CLB) Payments:** Distributions in accordance with W.S. 9-4-601(b).



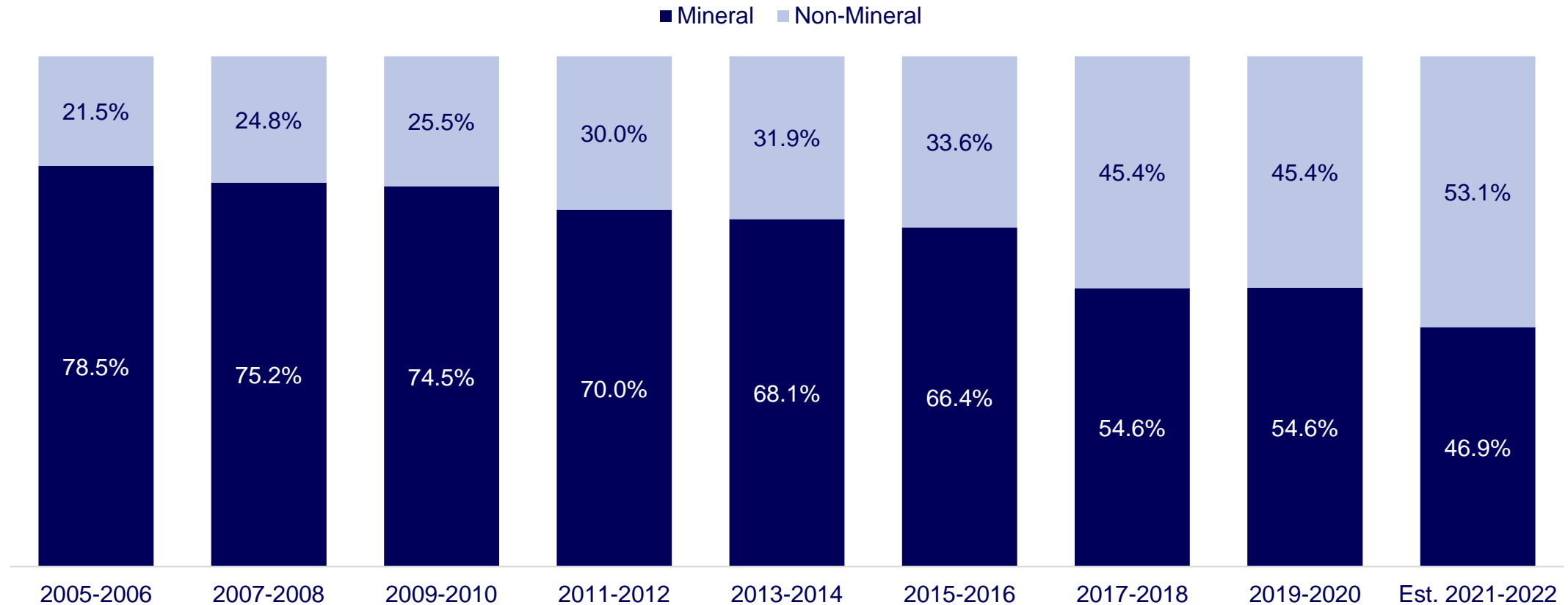
# SCCA Traditional Revenues



Source: LSO analysis of historical data and January 2022 CREG data.



# Estimated SFP/SCCA Revenues from Minerals and Non-Minerals



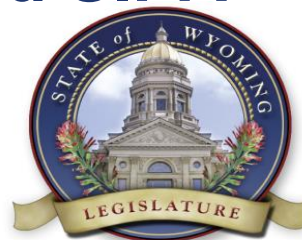
Source: LSO analysis and calculations. Minerals include: FMRs, CLBs, state royalties, CLIA state leases and bonuses related to minerals, and proportional share of assessed valuation for state 12-mill and school district recapture revenue





# Conclusion

- Federal Land Grant Program established revenue for public schools
- Wyoming revenues are volatile
- SFP and SCCA revenue has shifted from substantial majority (79%) mineral related to slight majority (53%) non-mineral related
- Increased revenue from investment earnings to SFP; lower FMRs
- CLB revenue left significant hole to fill for SCCA; replaced in part by state royalties and SIPA



# **Additional Questions?**

**Thank you**

